

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE X WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd. _____DATE FILED 6-10-85

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO. U-37842

INDIAN

DRILLING APPROVED: 6-13-85 - GAS (CAUSE NO. 179-1)

SPUDDED IN:

COMPLETED:

PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: PA Application Rescinded 8-13-86FIELD: NATURAL BUTTES

UNIT:

COUNTY: UINTAHWELL NO. SHEEPHERDER FEDERAL 2-10API #43-047-31639LOCATION 1451' FNL FT. FROM (N) (S) LINE. 1747' FWLFT. FROM (E) (W) LINE. SE NW1/4 - 1/4 SEC 10

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
<u>10S</u>	<u>23E</u>	<u>10</u>	<u>E P OPERATING CO.</u>				

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐

GAS
WELL ☒

OTHER

SINGLE
ZONE ☒

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

EP Operating Company (Formerly Enserch Exploration, Inc.)

3. ADDRESS OF OPERATOR

1230 River Bend Drive - Suite 136 - Dallas, Texas 75247

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1451' FNL & 1747' FWL (SE-NW)

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

11.1 Miles SW of Bonanza, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

131'

16. NO. OF ACRES IN LEASE

40

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

8000'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

5327' GR

22. APPROX. DATE WORK WILL START*

August 1, 1985

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48#	200'	To Surface
12-1/4"	8-5/8"	24#	2000'	To Surface
7-7/8"	5-1/2"	17#	8000'	Into Intermediate Casing

Purpose to drill a 17-1/2 inch hole to 200 feet. Set 13-3/8 inch casing and cement to surface. Install a 13-5/8 inch x 13-3/8 inch, 3000 psi wellhead and a 12 inch x 3000 psi annular preventer to be used as a diverter. The BOP will be tested to 1500 psi. An aerated drilling fluid will be used to drill to approximately 2000 feet where an intermediate casing string of 8-5/8 inch casing will be run to total depth and cemented back to surface. An 8-5/8 inch x 11 inch, 3000 psi wellhead will be installed along with a minimum of 11 inch, 3000 psi double hydraulic pipe and blind rams, and an annular preventer. The rams will be tested to 3000 psi and the annular to 1500 psi. A 7-7/8 inch hole will be drilled to total depth and 5-1/2 inch casing set if productive. If the well is non-productive, plugs will be set and the location will be restored according to B.L.M. instructions.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

C. H. Peeples

TITLE Regional Drilling Manager

DATE June 5, 1985

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

ASSOCIATE

APPROVED BY

Don Alford

TITLE

DISTRICT MANAGER

DATE

07-18-85

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

TO OPERATOR'S COPY

NOTICE OF APPROVAL

*See Instructions On Reverse Side

Well No. 2-10
EP Operating Comp
Section 10, T10S, R23E
U-37842

CONDITIONS OF APPROVAL

The Vernal District Petroleum Engineers have reviewed the Application for Permit to Drill for technical adequacy and concur with the down hole portion of the request providing the following stipulations are included as a part of the approval:

1. Pressure Control Equipment:

Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place.

2. Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

In the event after-hour approvals are necessary, please contact one of the following individuals:

Craig M. Hansen
Assistant District Manager
for Minerals

(801) 247-2318

Gerald E. Kenczka
Petroleum Engineer

(801) 781-1190

R. Allen McKee
Petroleum Engineer

(801) 781-1368

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BUREAU OF LAND MANAGEMENT

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WELL ☐

GAS
WELL ☒

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ZONE ☒

MULTIPLE
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16. NO. OF DIVISIONS OF OIL
GAS & MINING

19. PROPOSED DEPTH

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TO THIS WELL

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20. ROTARY OR CABLE TOOLS

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C. H. Peeples

TITLE Regional Drilling Manager

DATE June 5, 1985

(This space for Federal or State office use)

PERMIT NO.

43-047-31639

APPROVAL DATE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

APPROVED BY

TITLE

DATE: 6/13/85

BY: John R. Daza

WELL SPACING: 179-1

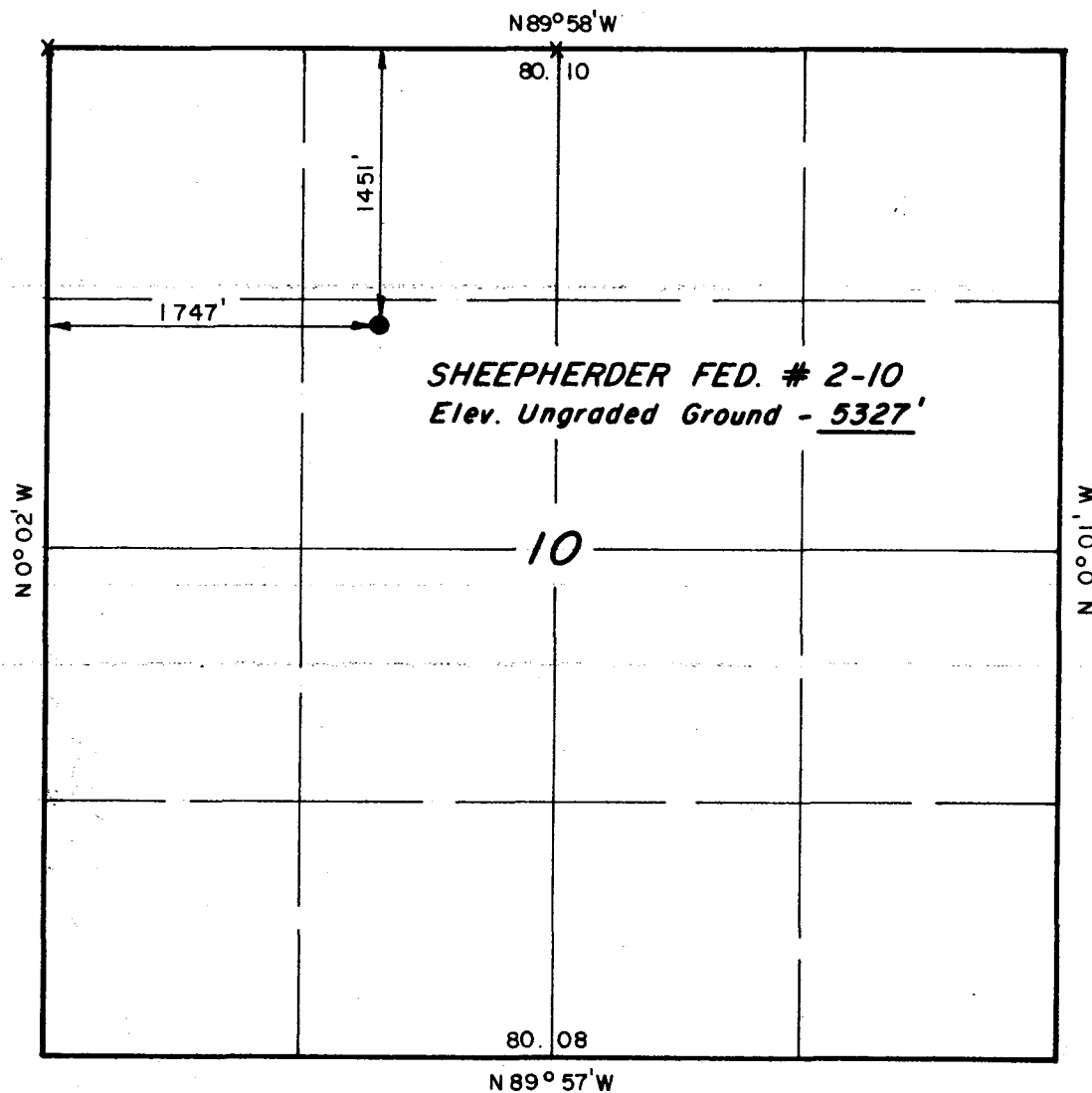
*See Instructions On Reverse

T10S , R23E , S.L.B.&M.

PROJECT

ENSERCH EXPLORATION INC.

Well location, *SHEEPHERDER*
FED. # 2-10, located as shown
in the SE 1/4 NW 1/4 Section 10,
T10S, R23E, S.L.B.&M. Uintah
County, Utah.



X = Section Corners Located



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

[Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO 2454
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
P. O. BOX Q - 85 SOUTH - 200 EAST
VERNAL, UTAH - 84078

SCALE	1" = 1000'	DATE	4/26/85
PARTY	GS RM RP	REFERENCES	GLO Plat
APPROVED	Fair	FILE	ENSERCH

LIST OF ATTACHMENTS

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

A. DRILLING PROGRAM

B. THIRTEEN POINT SURFACE USE PLAN

EXHIBIT "A" - MINIMUM BLOWOUT PREVENTER REQUIREMENTS

LOCATION LAYOUT - CUT SHEET

LOCATION OF PRODUCTION FACILITIES

TOPOGRAPHIC MAP "A"

TOPOGRAPHIC MAP "B"

BONDING STATEMENT

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

COMPANY: EP Operating Company WELL NO: 2-10

LOCATION: Section 10 T 10S R 23E LEASE NO: U-37842

ONSITE INSPECTION DATE: May 7, 1985

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:

Uinta	Surface
Green River	1289'
Wasatch	3624'
Dark Canyon	5289'
Mesaverde	5889'

2. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered:

<u>FORMATION</u>	<u>DEPTH</u>	<u>REMARKS</u>
Green River	1289'	Oil
Trona	3600'	Salt Water
Wasatch	3624'	Gas
Dark Canyon	5289'	Gas
Mesaverde	5889'	Gas

All fresh water and prospectively valuable minerals (as described by B.L.M. at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment:

- A. 200' - 2000' a minimum of a 12 inch, 3000 psi annular preventer will be used as a diverter system while drilling the intermediate hole. The diverter will be adequate for drilling the sub normally pressured formations through this interval.
- B. 2000' - 8000' Exhibit "A" is a schematic of the minimum requirements for the blowout prevention equipment. An 11 inch, 3000 psi working pressure double hydraulic BOP with pipe and blind rams will be installed on the casinghead prior to drilling below the 8-5/8 inch casing. An annular preventer will also be installed.

A rotating head will also be used while drilling from 200 feet to approximately 4500 feet to facilitate aerated drilling.

The diverter system will be pressure tested to 1500 psi before drilling out from under surface casing. Another pressure test will be conducted before drilling out from under intermediate casing. The BOP equipment will be tested to 3000 psi. BOP systems will be consistent with API RP 53. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing and cement plugs.

The District Office will be notified, with sufficient lead time, in order to have a B.L.M. representative on location during pressure testing.

4. Casing Program and Auxiliary Equipment:

<u>Setting Depth</u>	<u>Size</u>	<u>Weight</u>	<u>Grade</u>	<u>Condition</u>	<u>Cement Top</u>
0' 200'	13-3/8"	48#	H-40, STC	New	Back to Surface
0' 2000'	8-5/8"	24#	K-55, STC	New	Back to Surface
0' 8000'	5-1/2"	17#	N-80, LTC	New	2000'

Anticipated cement tops will be reported as to depth, not the expected number of sacks of cement to be used. The District Office will be notified, with sufficient lead time, in order to have a B.L.M. representative on location while running all casing strings and cementing.

Auxiliary Equipment:

1. An upper kelly cock will be kept in the string at all times.
2. A float at the bit will be used.
3. A full opening safety valve will be kept on the floor for stabbing into the drill pipe when the kelly is not in the string.
4. A mud logging unit with gas detecting equipment will be used from 2000 feet to total depth.

5. Mud Program and Circulating Medium:

<u>(Interval)</u>	<u>(Medium)</u>	<u>(Anticipated Properties)</u>
0' - 200'	Fresh Water/Native Mud	MW - 8.5 - 9.0 ppg Vis - 28 - 32 sec./qt.
200' - 4500'	Air/Air Mist Aerated Fresh Water	MW - 8.0 - 8.4 ppg Vis - 24 - 28 sec./qt.
4500' - 8000'	Aerated Water/ Salt-Gel System	MW - 9.0 - 10.4 ppg Vis - 35 - 45 sec./qt. WL - 12 cc's or less

No chromate additives will be used in the mud system on Federal and Indian lands without prior B.L.M. approval to ensure adequate protection of fresh water aquifers.

6. Coring, Logging and Testing Program:

There are no drill stem tests or cores anticipated.

A suite of open hole logs will be run upon reaching total depth. The logs will include:

DLL/MSFL/GR/CAL
CN/CD/GR/CAL
BHC Sonic/GR

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:

No abnormal pressures, temperatures, H₂S or other potential hazards have been reported from wells drilled to these depths in this area; thus none are anticipated for this well.

8. Anticipated Starting Dates and Notification of Operations:

Location construction will begin on or about August 1, 1985.

Spudding will occur as soon as possible after the completion of the surface location, this will occur on or about August 10, 1985. The duration of drilling operations will be approximately 25 days.

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the AO within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed, in duplicate, to the Vernal B.L.M. District Office, 170 South - 500 East, Vernal, Utah 84078

IMMEDIATE REPORT: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a production status. Such notification will be sent by telegram or other written communication, not later than 5 days following the date on which the well is placed on production.

Pursuant to NTL-2B with the approval of the District Engineer produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 mmcf of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 will be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

A first production conference will be scheduled within 15 days after receipt of the first production notice.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations of Federal or Indian lands.

B. THIRTEEN POINT SURFACE USE PLAN:

1. Existing Roads: See Attached Topographic Map "A"

- A. The location of the Sheepherder Federal No. 2-10 is approximately 11.1 miles in a southwesterly direction from Bonanza, Utah.
- B. The proposed route to the location will be to proceed east out of Vernal, Utah along U. S. Highway 40, 24 miles to the junction of this Highway and Utah State Highway 45 to the South; proceed southerly along Utah State Highway 45, 22 miles to Bonanza, Utah; proceed in a westerly direction from Bonanza, Utah on an improved dirt road 4.3 miles to the point that an existing road exits to the southwest; proceed southwesterly along this road 1.3 miles to the junction of this road and a road to the southwest; proceed southwesterly along this road 4 miles to its junction with a road to the west; proceed in a westerly direction along this road 0.8 miles to an existing road. Proceed 0.6 miles along this road in a southwesterly direction to the location.
- C. The highways in the foregoing paragraph are bituminous surfaced roads to a point just out of Bonanza, Utah. The aforementioned dirt roads proceeding southwesterly out of Bonanza and other roads in the area are constructed out of native materials that are prevalent to the areas they are located in. They range from clays to a sandy-clay shale material.
- D. Plans for improvement of the existing roads are not required. There is no anticipated construction on any portion of the above described roads. They will meet the necessary standards required to facilitate an orderly flow of traffic during the drilling, completion, and production phases of this well. (At such time that production is established).

The roads that are required for access will be maintained at the standards required by the B.L.M. or other controlling agencies. This maintenance will consist of some minor grade work for smoothing of roads surfaces.

2. Planned Access Road:

There is no access road required. A small section of the existing road will be rerouted as shown on the location layout sheet.

- A. Width: The road will be an 18 foot crowned surface (9 feet either side of the centerline). The maximum width of the disturbed area will be 30 feet.
- B. Maximum Grades: Back slopes along the cut areas of the road will be 1-1/2 to 1 slopes and terraced. No more than a 10% grade will exist for any portion of the access road.
- C. Turnouts: There will be no turnouts required along this access road.
- D. Location: Along the south corner of the well pad.
- E. Drainage: Drainage ditches will be cut on either side of the road where it is determined necessary in order to handle any runoff from normal meteorological conditions.
- F. Surface Materials: The road will be constructed out of native materials that are prevalent to the area of this location.
- G. There are no fences encountered along this road. There will be no new gates or cattle guards required.

All travel will be confined to existing access road rights of way.

3. Location of Existing Wells:

- A. Enserch Exploration, Inc. - NoName Canyon Federal No. 1-9
Section 9, T10S-R23E - NE/4
- B. Enserch Exploration, Inc. - Sheepherder Federal No. 1-10
Section 10, T10S-R23E - SE/4
- C. Pacific Transmission - Federal No. 4-4
Section 4, T10S-R23E - NE/4

There are no known abandoned wells, temporarily abandoned wells, observation wells, or wells for other services within a 1-mile radius of this proposed location.

4. Location of Tank Batteries and Production Facilities:

- A. Production facilities owned by Enserch within a 1-mile radius of the proposed drillsite includes equipment for the Sheepherder Federal No. 1-10 and the NoName Canyon Federal No. 1-9, as shown on the Topographic Map "B". This equipment includes:
 - 1 - 300 barrel flat bottom steel tank
 - 1 - 300 barrel open top fiberglass tank
 - 1 - heater treater
 - 1 - dehydrator
- B. In the event the subject well is productive and requires production facilities, all permanent (on-site for six months or longer) structures constructed or installed (including oil well pumpjacks) will be painted a flat, non-reflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5 State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

Tank batteries will be placed on the northeastern most portion of the location, as shown on the illustrated production facilities layout.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

4. Location of Tank Batteries and Production Facilities: (Continued)

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and anchored securely downstream of the meter. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter.

The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

The area will be built if possible, with native materials and if these materials are not available then the necessary arrangements will be made to get them from private sources. These facilities will be constructed using bulldozers, graders and workman crews to construct and place the proposed facilities. If there is any deviation from the above, all appropriate agencies will be notified. Rehabilitation of disturbed areas no longer needed for operations after construction is completed will meet the requirements of Item No. 10.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from the White River located 1800 feet south and 1200 feet west of the north-east corner of Section 17, T9S-R22E - S.L.B.&M.. This water source is approximately 15.5 miles by road to the northwest of the proposed drillsite. This water will be hauled by truck over existing roads and the proposed access road.

All regulations and guidelines will be followed and no deviations will be made unless all concerned agencies are notified.

There will be no water well drilled at this location site.

6. Source of Construction Material:

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. No additional road gravel from other sources are anticipated at this time, but if they are required, the appropriate actions will be taken to acquire them from private sources.

The use of materials under B.L.M. jurisdiction will conform to 43 CFR 3610.2-3.

Construction material will be located on lease.

7. Methods of Handling Waste Disposal:

A reserve pit will be constructed and will not be lined.

The reserve pit depth will extend approximately 8 feet below the surface level of the location.

The reserve pit will be used as a fresh water storage area during the drilling of this well and will also be used to store non-flammable materials such as cuttings, salts, drilling fluids, chemicals and produced fluids, etc.

The pits will have wire and overhead flagging installed if deemed necessary to protect the water fowl, wildlife, and domestic animals.

At the onset of drilling, the reserve pit will be fenced on three sides and at the time drilling activities are completed, it will be fenced on the fourth side and allowed to dry completely prior to the time that backfilling and other reclamation activities are attempted. The fence will be wire mesh topped with at least one strand of barbed wire.

When the reserve pit dries and reclamation activities commence, the pits will be covered with a minimum of four feet of soil and all requirements in Item No. 10 will be followed.

A temporary trash basket will be supplied and will be placed on the location site. This trash basket will be used to contain trash accumulated at the site. The trash will be hauled to the nearest sanitary landfill. There will be no burning allowed on this location.

A portable chemical toilet will be supplied for human waste. Gray water will be drained into a rathole alongside the trailers.

7. Methods of Handling Waste Disposal: (Continued)

Produced waste water will be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance, and will be grounds for issuing a shut-in order.

8. Ancillary Facilities:

There are no camps or airstrips planned for this well. Temporary trailers will be moved onto location to house company personnel, the tool pusher and mud loggers during the drilling of this well.

9. Well Site Layout: See Attached Location Layout Sheet

The reserve pit will be located at the west side of location and will not be lined.

The stockpiled topsoil will be stored on north side of the location between stakes No. 6 and 7 with a thickness of approximately 4 to 6 inches or more.

Access to the well pad will be from the south end of the location.

Trash cages will be required and the reserve pits will be fenced with a wire mesh fence and topped with at least one strand of barbed wire.

The Vernal District B.L.M. Bookcliffs Resource Area will be notified 48 hours before any construction begins on the proposed location site.

The dirt contractors will be furnished with an approved copy of the surface plan and any additional B.L.M. stipulations prior to any work.

When drilling activities commence, all work will proceed in a neat and orderly sequence.

10. Plans for Restoration of Surface:

Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed.

10. Plans for Restoration of Surface: (Continued)

Before any dirt work to restore the location takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc., will be removed.

If the wellsite is to be abandoned then all disturbed areas will be recountoured to the approximate natural contours.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface. Seed will be broadcast or drilled at a time specified by the B.L.M. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage. The appropriate seed mixture to be used will be specified by the B.L.M. at that time.

Any drainages re-routed during construction activities shall be restored to their original line of flow as near as possible. Fences around pits are to be removed upon completion of drilling activities and all waste being contained in the trash basket shall be hauled to the nearest Sanitary Landfill.

The access road will be blocked to prevent vehicle use and prior to reseeding, all disturbed areas, including the access road, will be scarified and left with a rough surface.

Restoration activities shall begin within 90 days after completion of the well. Once restoration activities have begun, they shall be completed within 30 days. The Vernal B.L.M., Bookcliffs Resource Area will be contacted 48 hours prior to starting rehabilitation.

The Lessee further covenants and agrees that all of said clean-up and restoration activities shall be done and performed in a diligent and most workmanlike manner and in strict conformity with the above mentioned Items No. 7 and No. 10.

11. Surface and Mineral Ownership:

Bureau of Land Management
Utah State Office
University Club Building
136 East South Temple
Salt Lake City, Utah 84111

(Own both surface and minerals)

12. Other Information:

The Topography of the General Area: See Topographic Map "A"

The area is a basin formed by the Blue Mountain Plateau and Green River to the north and the White River and the Roan Plateau to the south.

The Basin floor is interlaced with numerous canyons and ridges formed by the non-perennial streams of the area. The sides of these canyons are steep and ledges formed in a sandstone, conglomerates and shale deposits are extremely common to the area.

The geologic structures of the area that are visible are of the Uinta Formation (Eocene Epoch) Tertiary Period in the upper elevation and the cobblestone and younger alluvial deposits from the Quaternary Period.

Outcrops of sandstone ledges, conglomerate deposits and shale are common in the area.

The topsoils in the area range from a light brownish-gray sandy clay (SM-ML) type soil to poorly graded gravels to a clayey (OL) type soil.

The majority of the numerous washes and streams in the area are of a non-perennial nature flowing during the early spring run-off and extremely heavy rain storms of long duration which are extremely rare as the normal annual rainfall in the area is only 8 inches.

The White River to the south of this location is the only perennial stream that is affected by this location site.

Due to the low precipitation average, climate conditions and the marginal types of soils, the vegetation that is found in the area is common of the semi-arid region we are located in and in the lower elevations. It consists of areas of sagebrush, rabbitbrush, greasewood, some grasses, and cacti as the primary flora.

The fauna of the area is predominately mule deer, coyotes, prong-horn antelope, rabbits, and various small ground squirrels and other types of rodents. The area is used by man for the primary purpose of grazing domestic sheep and cattle.

The birds of the area are raptors, finches, ground sparrows, magpies, crows and jays.

The Topography of the Immediate Area: See Topographic Map "B"

The Sheepherder Federal No. 2-10 is located on a relatively flat area above the steep White River Canyon.

The majority of the drainages in the area are of a non-perennial nature and drain to the south into the White River, approximately 2 miles.

The vegetation in the immediate area surrounding the location site is predominately sagebrush and grasses.

There are no occupied dwellings or other facilities of this nature in the general area.

There will be no deviation from the proposed drilling and/or work-over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other information in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

There are no visible archaeological, historical, or cultural sites within any reasonable proximity of the proposed location site. A suitable cultural resource clearance has been provided for the project. If any cultural resources are found during construction, all work will stop and the AO will be notified.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13. Lessee's or Operators Representative and Certification:

Operators Representative:

M. E. (Dusty) Kinchen
Enserch Exploration, Inc.
1230 River Bend Drive #136
Dallas, Texas 75247
PHONE: 214/630-8711

Certification Representative:

C. H. Peebles
Enserch Exploration, Inc.
1230 River Bend Drive #136
Dallas, Texas 76247
PHONE: 214/630-8711

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which currently exist, that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by:

EP Operating Company

and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

6/6/85
Date

C. H. Peeples
C. H. Peeples
Regional Drilling Manager

ONSITE

DATE: May 5, 1985

PARTICIPANTS:

TITLE:

<u>Greg Darlington</u>	<u>B.L.M.</u>	<u>Environmental Scientist</u>
<u>Dusty Kinchen</u>	<u>Enserch Exploration, Inc.</u>	<u>Drilling Engineer</u>
<u>Leonard Heeney</u>	<u>Ross Construction</u>	<u>Contractor Representative</u>
<u>Brad Weber</u>	<u>Uintah Engineering</u>	<u>Surveyor</u>
<u>Garth Norman</u>	<u>AERC</u>	<u>Archaeologist</u>

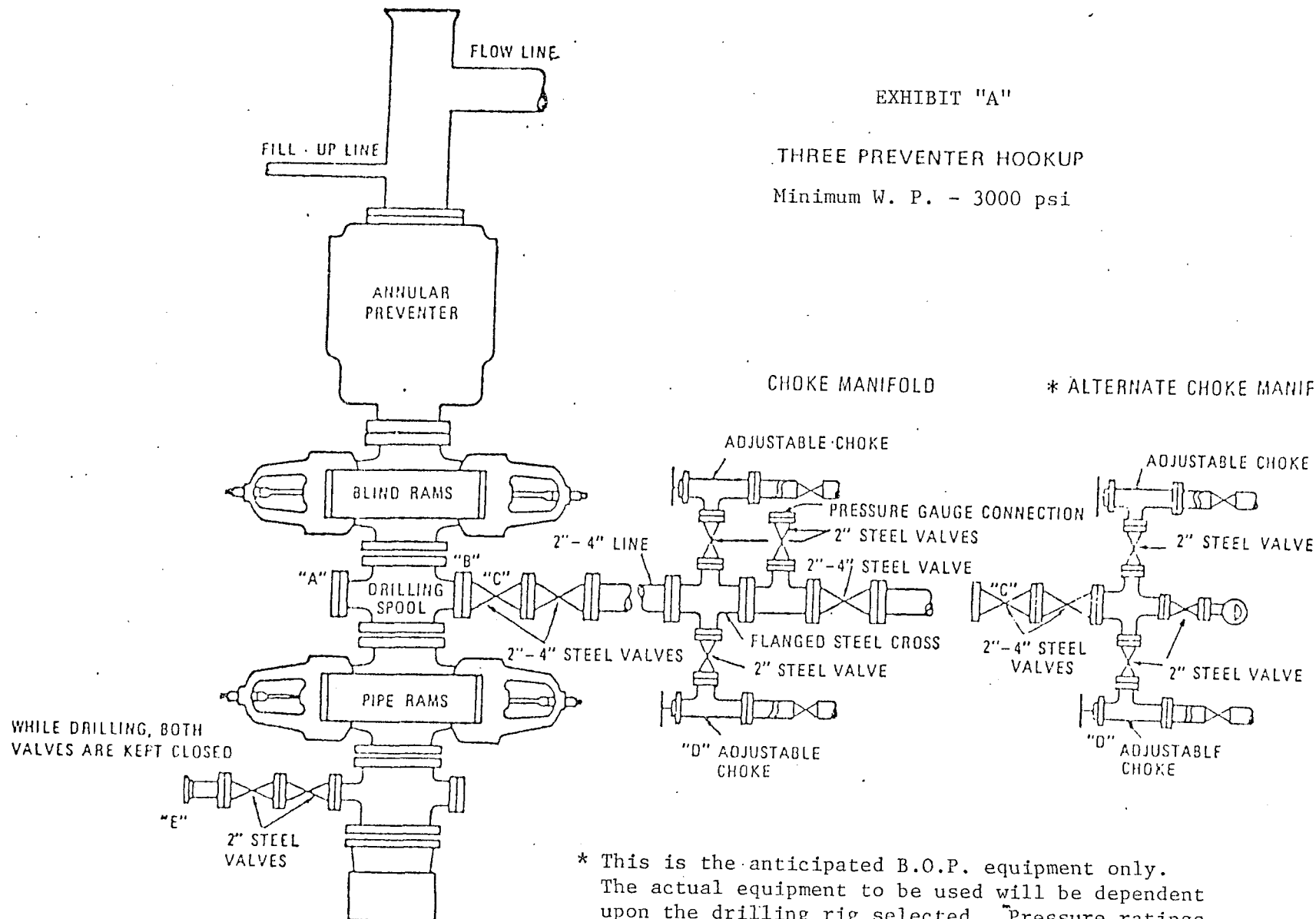
EXHIBIT "A"

THREE PREVENTER HOOKUP

Minimum W. P. - 3000 psi

CHOKE MANIFOLD

* ALTERNATE CHOKE MANIFOLD

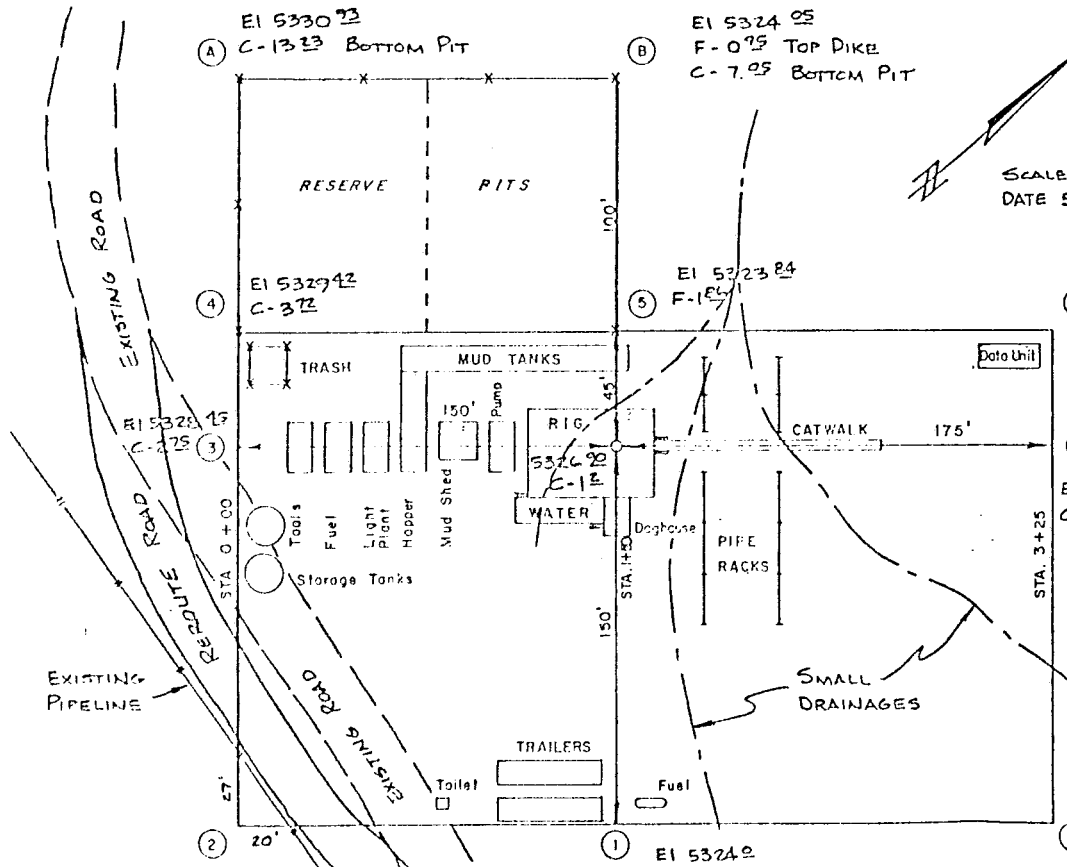


WHILE DRILLING, BOTH VALVES ARE KEPT CLOSED

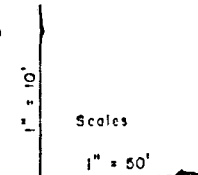
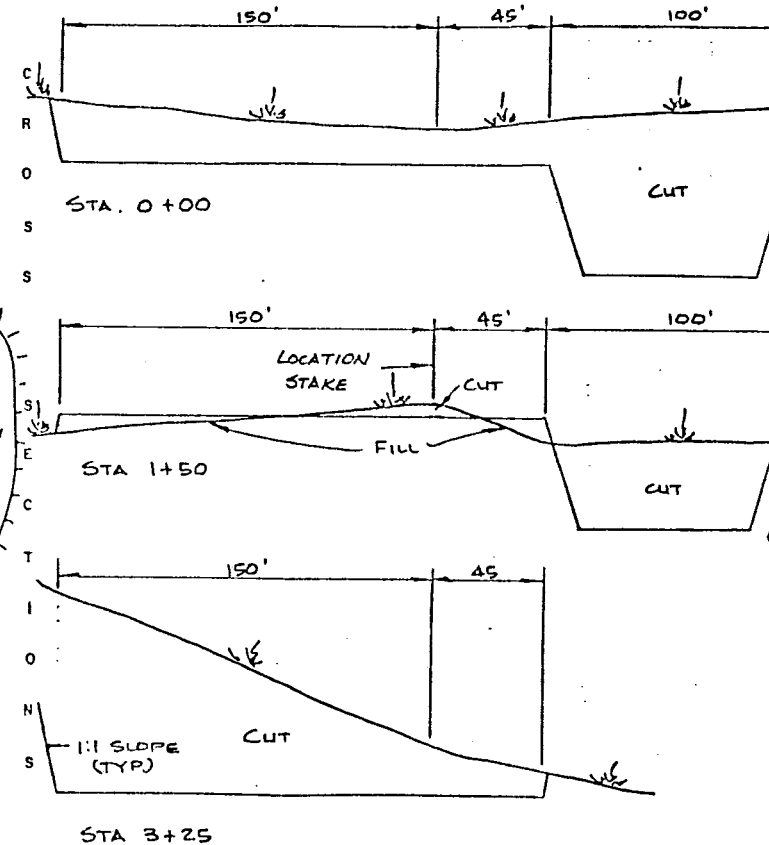
IF POSSIBLE, CASING SPOOL SHOULD BE POSITIONED SO THAT THESE VALVES ARE DIRECTLY UNDER THE BARREL OF THE RAM PREVENTER.

* This is the anticipated B.O.P. equipment only. The actual equipment to be used will be dependent upon the drilling rig selected. Pressure ratings will be at least 3000 psi.

ENSERCH EXPLORATION INC.
SHEEPHERDER FED. # 2-10



SCALE 1" = 50'
DATE 5-11-85



APPROX. YARDAGES

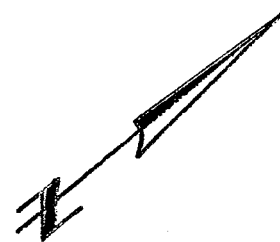
Cubic Yards Cut - 14,355

Cubic Yards Fill - 654

SOILS LITHOLOGY
- No Scale -

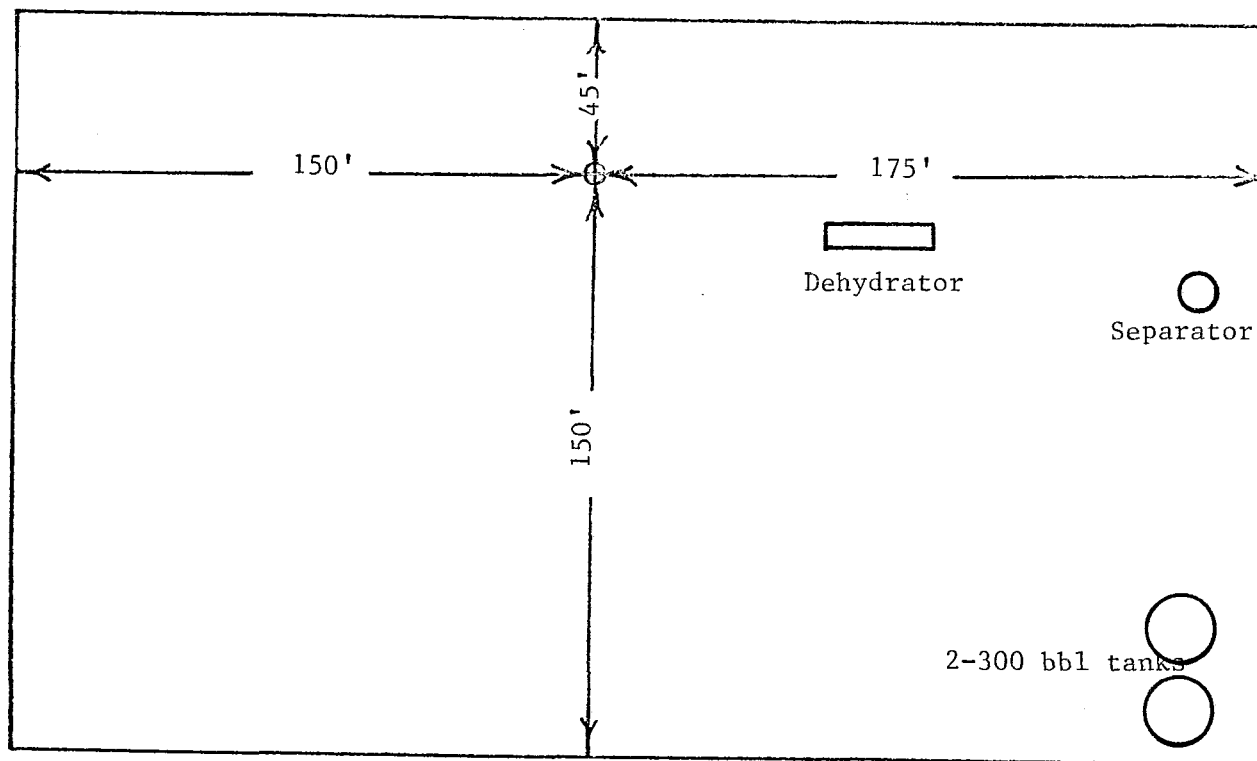
Light Brown
Sandy Clay

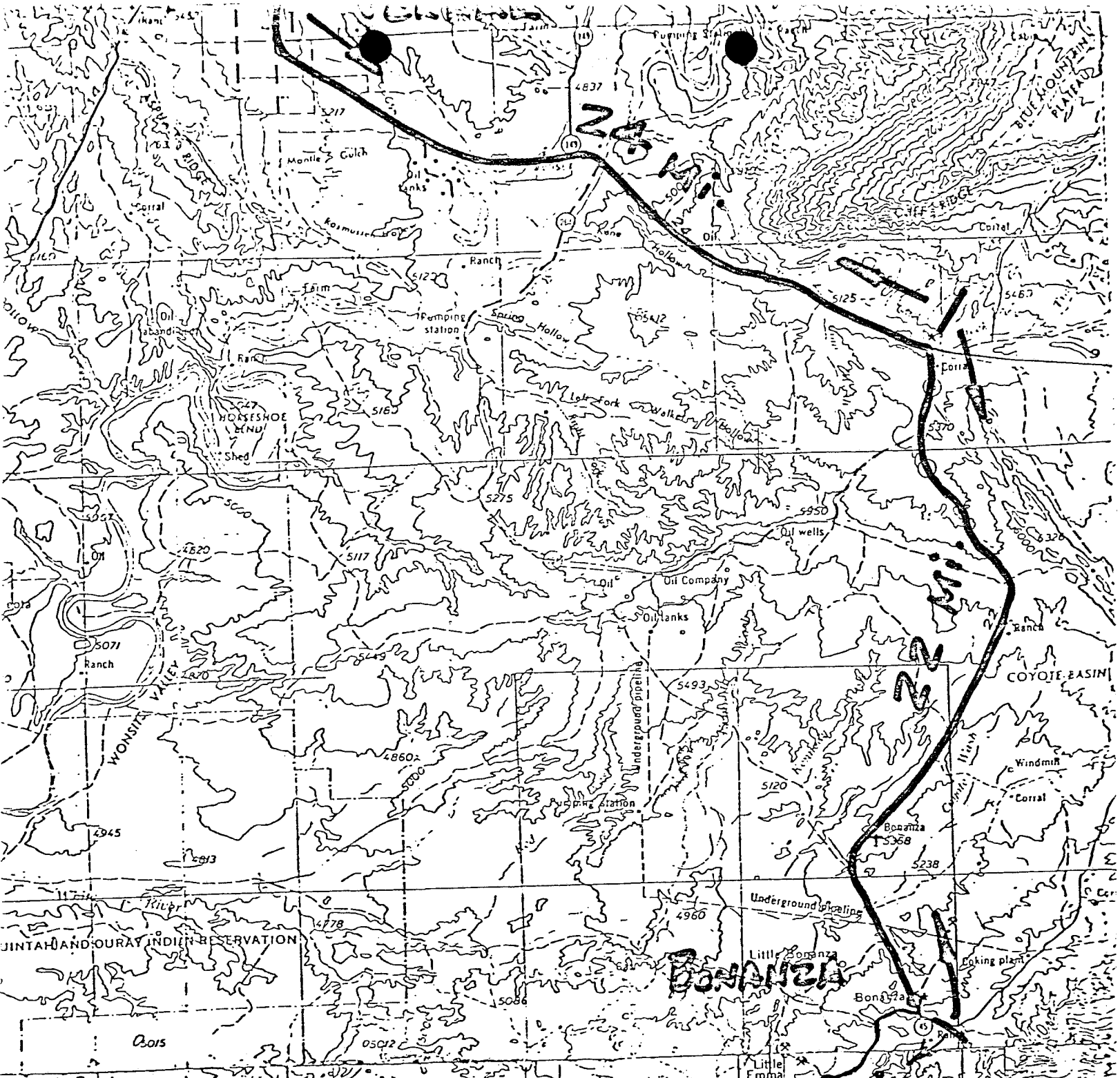
LOCATION OF PRODUCTION FACILITIES
E.P. OPERATING COMPANY



SHEEPHERDER FEDERAL NO.2-10

scale: 1"=50'





ENSERCH EXPLORATION INC.

SHEPHERDER FED. # 2-10
PROPOSED LOCATION

TOPO.

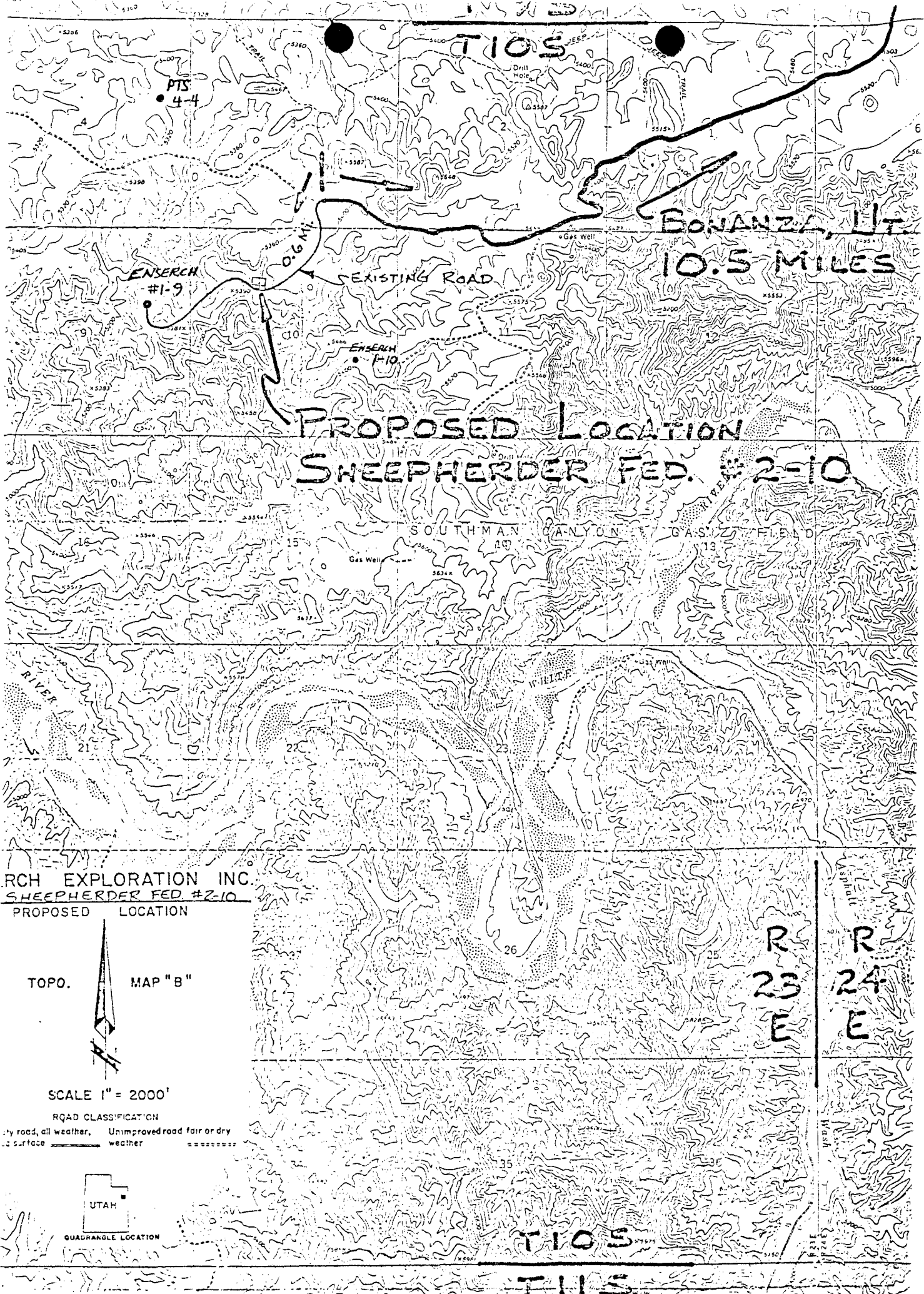
MAP "A"

SCALE 1" = 4 MI.

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11.1 Mi.
PROPOSED
LOCATION

TIOS
TUS



TIO S

BONANZA, UT
10.5 MILES

PROPOSED LOCATION
SHEEPHERDER FED. #2-10

SOUTHMAN CANYON GAS FIELD

WHITE RIVER

RCH EXPLORATION INC.
SHEEPHERDER FED. #2-10
PROPOSED LOCATION

TOPO. MAP "B"

SCALE 1" = 2000'

ROAD CLASSIFICATION
Solid line: all weather
Dashed line: Unimproved road fair or dry weather

R 23 E
R 24 E



UTAH
QUADRANGLE LOCATION

TIO S

TIO S

BONDING

Enserch Exploration, Inc., the Managing General Partner for EP Operating Company, holds a nationwide oil and gas bond in the amount of \$150,000 filed with the United States Department of the Interior, Bureau of Land Management.

BOND NUMBER: 037857

APPROVED: August 18, 1981

OPERATOR EP Operating Company DATE 6-10-85
WELL NAME Shepherd Federal 2-10
SEC 10 SE NW T 10S R 23E COUNTY Lincoln

43-047-31639
API NUMBER

Federal
TYPE OF LEASE

CHECK OFF:

☒ PLAT

☒ BOND

☒ NEAREST WELL

☒ LEASE

☒ FIELD

☒ POTASH OR
OIL SHALE

PROCESSING COMMENTS:

Well is SE 1/4 - OK

Water OK - T 60871

APPROVAL LETTER:

SPACING: ☐ A-3 _____ UNIT

☒ C-3-a 179-1 10/24/78
CAUSE NO. & DATE

☐ C-3-b

☐ C-3-c

STIPULATIONS:



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

June 13, 1985

EP Operating Company
1230 River Bend Drive, Suite 136
Dallas, Texas 75247

Gentlemen:

Re: Well No. Sheepherder Federal 2-10 - SE NW Sec. 10, T. 10S, R. 23E
1451' FNL, 1747' FWL - Uintah County, Utah

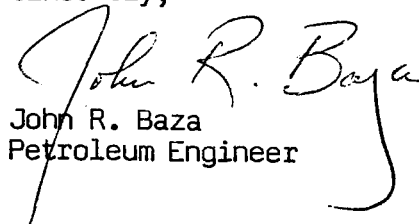
Approval to drill the above-referenced gas well is hereby granted in accordance with the Order of Cause No. 179-1 dated October 24, 1978.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-31639.

Sincerely,


John R. Baza
Petroleum Engineer

jbl
Enclosures
cc: Branch of Fluid Minerals

EP operating

RECEIVED

JUL 29 1985

DIVISION OF OIL
GAS & MINING

July 26, 1985

TEMPORARY

Martin Water Service
P.O.Box 566
Vernal, UT 84078

Dear Applicant:

RE: TEMPORARY APPLICATION
NUMBER 49-1372 (T61079)

Enclosed is a copy of approved Temporary Application Number 49-1372 (T61079). This is your authority to construct your works and to divert the water for the uses described.

While this approved application does give you our permission to divert and use water, it does not grant easements through public or private lands in order to gain access to the source nor to convey the water to the place of use, nor does this approval eliminate the need for such other permits as may be required by this Division or any other agency in implementing your diversion.

This application will expire July 15, 1986, and it is expected that no diversion or use of the water will be done after that date unless another proposal has been made and approved.

Your contact with this office, should you need it is with the Area Engineer, Robert Guy. The telephone number is (801)789-3714.

Yours truly,

Robert L. Morgan, P.E.
State Engineer

RLM:slm

Encl.: Copy of approved Temporary Application

TEMPORARY

Application No. 761079APPLICATION TO APPROPRIATE WATER
STATE OF UTAH

031800 1985

49-1372

NOTE:—The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be made on the following page under the heading "Explanatory."

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

1. Irrigation ☐ Domestic ☐ Stockwatering ☐ Municipal ☐ Power ☐ Mining ☐ Other Uses ☒

2. The name of the applicant is Martin Water Service

3. The Post Office address of the applicant is P. O. Box 566, Vernal, Utah 84078

4. The quantity of water to be appropriated _____ second-feet and/or 8.0 acre-feet

5. The water is to be used for Oil Field Use from July 15, 1985 to July 15, 1986
(Major Purpose) (Month) (Day) (Month) (Day)

other use period _____ from _____ to _____
(Minor Purpose) (Month) (Day) (Month) (Day)

and stored each year (if stored) from _____ to _____
(Month) (Day) (Month) (Day)

6. The drainage area to which the direct source of supply belongs is _____
(Leave Blank)

7. The direct source of supply is* White River
(Name of stream or other source)

which is tributary to _____, tributary to _____

*Note.—Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first space, giving its name, if named, and in the remaining spaces, designate the stream channels to which it is tributary, even though the water may sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being diverted, the direct source should be designated as a stream and not a spring.

8. The point of diversion from the source is in Uintah County, situated at a point*
North 400 ft. West 1850 ft. from E $\frac{1}{2}$ Cor. Sec. 2, T10S, R24E, SLB&M

*Note.—The point of diversion must be located definitely by course and distance or by giving the distances north or south, and east or west with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if at a greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

9. The diverting and carrying works will consist of Pumped into tank trucks and hauled to
place of use

10. If water is to be stored, give capacity of reservoir in acre-feet _____ height of dam _____
area inundated in acres _____ legal subdivision of area inundated _____

11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows:

_____ Total _____ Acres

12. Is the land owned by the applicant? Yes _____ No X If "No," explain on page 2.

13. Is this water to be used supplementally with other water rights? State Road Right of way Yes _____ No X

If "yes," identify other water rights on page 2.

14. If application is for power purposes, describe type of plant, size and rated capacity.

15. If application is for mining, the water will be used in _____ Mining District at
the _____ mine, where the following ores are mined _____

16. If application is for stockwatering purposes, number and kind of stock watered _____

17. If application is for domestic purposes, number of persons _____, or families _____

18. If application is for municipal purposes, name of municipality _____

19. If application is for other uses, include general description of proposed uses Oil well drilling & completion in Sections 8, 10, 17 and 18, T10S, R23E, SLB&M

20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. Crooked Canyon 2-17, Canyon View 2-18, Sheep Herder Fed. 2-10, (Sage Brush Fed. 2-8 43-047-31759-A-1.) (2-18 43-047-31650) 2A

21. The use of water as set forth in this application will consume 8.0 second-feet and/or acre-feet of water and None second feet and/ or acre feet will be returned to the natural stream or source at a point described as follows:

(Fed. 2-10 43-047-31639 2A) (2-17 43-047-31649 2A)
Sec. 10

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

Lined area for additional facts.

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

Dean H. H. H.

Signature of Applicant*

*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH,
County of..... } ss

On the day of, 19....., personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires:

[Signature]

Notary Public

(SEAL)

10-10-11

FEEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH

Flow rate — c.f.s.	Cost	
0.0 to 0.1	\$ 15.00	
over 0.1 to 0.5	30.00	
over 0.5 to 1.0	45.00	
over 1.0 to 15.0	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0	150.00	foot per second.

Storage — acre-feet

0 to 20	22.50	
over 20 to 500	45.00	
over 500 to 7500	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500	150.00	500 acre feet.

(This section is not to be filled in by applicant)

STATE ENGINEER'S ENDORSEMENTS

1. 7-8-85 Application received by mail in State Engineer's office by T.N.B.
over counter
2. Priority of Application brought down to, on account of
3. 7-17-85 Application fee, \$15.00, received by J. J. Rec. No. 18535
4. Application microfilmed by Roll No.
5. Indexed by Platted by
6. 7/10/85 Application examined by GBW
7. Application returned, or corrected by office
8. Corrected Application resubmitted by mail to State Engineer's office.
over counter
9. 7/10/85 Application approved for advertisement by GBW
10. Notice to water users prepared by G.
11. Publication began; was completed
Notice published in
12. Proof slips checked by
13. Application protested by
14. Publisher paid by M.E.V. No.
15. Hearing held by
16. Field examination by
17. 7/10/85 Application designated for approval GBW 56.
rejection
18. 7/26/85 Application copied or photostated by slm proofread by
19. 7/26/85 Application approved
rejected
20. Conditions:

This Application is approved, subject to prior rights, as follows:

- a. Actual construction work shall be diligently prosecuted to completion.
- b. Proof of Appropriation shall be submitted to the State Engineer's office by NPR
- c. TEMPORARY APPROVAL -- EXPIRES July 15, 1986.

Robert L. Morgan
Robert L. Morgan, P.E. State Engineer

21. Time for making Proof of Appropriation extended to
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No., issued

Application No. 761079

**Bureau of Land Management
Vernal District Office
170 South 800 East
Vernal, Utah 84057**

3162.35
U-820
U-37843

August 6, 1986

EP Operating Company
1230 River Bend Drive, Suite 136
Dallas, Texas 75247-4995

RE: Rescind Application for Permit to Drill
Well No. Sheepherder Fed. 2-10
Section 10, T10S, R23E
Uintah County, Utah
Lease No. U-37843

The Application for Permit to Drill the referenced well was approved on July 18, 1985. Since that date, no known activity has transpired at the approved location. Under current District policy, Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application without prejudice. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Craig M. Hansen
ADM for Minerals

mh

bcc: State Div. O G & M
well file
U-922/943



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

081414

August 13, 1986

EP Operating Company
1230 River Bend Drive, Suite #136
Dallas, Texas 75247-4995

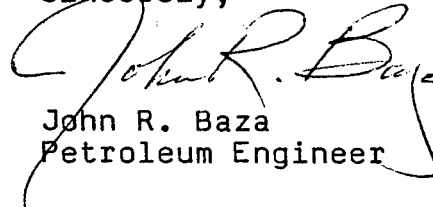
Gentlemen:

RE: Well No. Sheepherder Federal #2-10, Sec.10, T.10S, R.23E,
Uintah County, Utah, API NO. 43-047-31639

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,


John R. Baza
Petroleum Engineer

sb
cc: BLM-Vernal
D. R. Nielson
R. J. Firth
✓ Well file
0278T-101

**ENSERCH
EXPLORATION INC.**

7800 Stemmons Frwy.
Suite 500
Dallas, Texas 75247
214/630-8711

C. H. Peeples
Regional Drilling Manager
Western Region
Drilling Department

September 15, 1986

091915

U. S. Department of the Interior
Bureau of Land Management
Vernal District Office
170 South - 500 East
Vernal, Utah 84078

RECEIVED
SEP 17 1986

**DIVISION OF
OIL, GAS & MINING**

Re: Rescindment of Applications
for Permit to Drill
5 - Wells (See List Below)
Uintah County, Utah

The Applications for Permit to Drill for the five (5) wells following have been rescinded by your office. This letter is submitted to confirm that no surface disturbance has been made on any of these locations.

If there are any questions or if additional information is required, please advise.

Very truly yours,

C. H. Peeples
C. H. Peeples
Regional Drilling Manager,
for EP Operating Company,
a limited partnership by
Enserch Exploration, Inc.,
Managing General Partner

MEK/hrs
Attach

cc: State of Utah ✓
Natural Resources
Oil, Gas & Mining

Applications Rescinded

- Rattlesnake Ridge Federal No. 1-14
Section 14, T11S-R22E
Lease No. U-54186
API No. 43-047-31642
- Flat Canyon Federal No. 1-11
Section 11, T11S-R22E
Lease No. U-37837
API No. 43-047-31641
- Canyon View Federal No. 2-18
Section 18, T10S-R23E
Lease No. U-38421
API No. 43-047-31650
- Crooked Canyon Federal No. 2-17
Section 17, T10S-R23E
Lease No. U-37355
API No. 43-047-31649
- Shepherd Federal No. 2-10
Section 10, T10S-R23E
Lease No. U-37843
API No. 43-047-31639